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AI-POWERED MARKETING: HOW ARTIFICIAL INTELLIGENCE IS REVOLUTIONIZING CUSTOMER ENGAGEMENT

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Abstract

Artificial Intelligence (AI) has emerged as a transformative force in modern marketing, revolutionizing customer engagement through predictive personalization, voice-driven interactions, emotional analytics, and intelligent customer service automation. By leveraging real-time data analytics and machine learning, businesses can proactively anticipate customer preferences, creating intuitive and personalized experiences. Industry examples demonstrate significant improvements in customer satisfaction, loyalty, and overall marketing effectiveness. However, despite its substantial benefits, AI-driven marketing presents challenges related to data privacy, transparency, and maintaining the human touch in customer interactions. This paper emphasizes that strategic integration, ethical data practices, and balanced human-AI collaboration are essential for businesses seeking to harness the full potential of AI, ultimately achieving a competitive advantage in today's dynamic digital marketplace.

Keywords: Artificial Intelligence, Customer Engagement, Predictive Personalization, Emotional Analytics, AI-Driven Marketing

1 Introduction

Artificial Intelligence is a transformative force in modern marketing, changing how brands engage and communicate with customers. By using AI-driven tools, marketers can now understand customer needs and deliver personalized content.

Generative AI increases this impact, automates creative processes and enables personalization. McKinsey evaluate that generative AI could add trillions of dollars in value, marketing and sales will be the most impacted areas. However, using full potential of an AI requires strategical thinking,

attention to ethics and human touch. The following discuss AI-driven marketing applications and strategic reasoning for implementation, illustrating how these technologies change customer experience, improve emotional connection and give outcomes like loyalty and engagement.

2 Predictive Personalization

AI-powered personalization has changed marketing from a reactive to a predictive approach, allowing brands to understand customer needs before they even arise. Machine learning algorithms analyse big amounts of customer data (browsing behaviour, purchase history, demographics and so on) to forecast future behaviour and preferences. This allows companies to recommend products or content, depending on each individual, even before the customer searches for them. For instance, Netflix's recommendations suggest films user is likely to enjoy, based on their viewing history, and Amazon's homepage features products aligned with each person's interests. These forecast systems is effective in engaging users and driving sales. By showing relevant choices and offers, brands can increase conversion rates and also strengthen loyalty, because customers will feel understood. Also personalized experiences can improve customer satisfaction and influence purchase decisions.

In today's digital marketplace, AI-driven personalization is essential for building customer relationships and maintain being competitive. Brands that use AI to deliver the right content or product create deeper emotional connections with audience, increasing trust and repeat engagement.

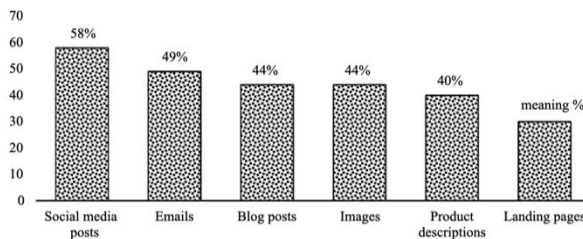


Figure 1. AI adoption in content creation – percentage of marketers using generative AI for different content types [1]

AI's predictive abilities also can be used in a different way. Marketers use AI to optimize pricing (e.g., dynamic discounts for loyal customers) and to personalize messaging in advertising campaigns. The personal approach

achieved through these leads to higher engagement and conversion, because customers will interact with content that resonates with their needs. In summary, personalization created by AI allows businesses to move toward individualized experiences. This not only improves marketing effectiveness, but also builds loyalty over time.

3 Voice and Emotional AI

AI is also changing the way customers communicate with brands through voice interfaces and emotion-aware technologies. Conversational AI tools (chatbots and voice assistants) have improved from Q&A bots into fully-developed agents. Voice AI technologies like Amazon's Alexa, Google Assistant, and Apple's Siri enable seamless, but useful interactions, that make it easier for consumers to engage with brands. Google Assistant use context (your calendar, prior searches) to offer personalized recommendations, creating an experience for each user. By integrating such voice-driven AI into marketing and sales channels, companies meet the demand for natural interactions. Voice AI is about to become a central point in the customer journey, changing how consumers discover and engage with products.

Emotional AI is also a powerful tool to make deeper the connection between brands and consumers. Emotional AI are systems, that can detect and respond to human emotions, using analysis of voice tone, facial expressions and other parameters. By understanding customer's emotional state, brand can adapt its communication and offers in real time to be more effective. For instance, AI-service platform during a video call can analyze the customer's facial expressions and vocal tension. If the system senses disappointment, it can inform the human. This adjustment can improve the customer's experience and opinion of the brand. In marketing content, emotional analytics tools can measure audience reaction (e.g., happiness, surprise) to ads or website content and make real-time changes. Emotion-driven personalization helps create advertisements, increasing their impact.

Emotional AI is anticipated to become a central point of modern marketing as it improves. By using digital interactions with emotional intelligence, companies can ensure that each customer touchpoint is meaningful and impactful.

4 Strategic Implementation

AI offers exciting opportunities to change marketing, but strategic implementation is crucial to fully realize benefits and address challenges. Organizations must integrate AI technologies into customer engagement strategies, with an emphasis on ethical data use, transparency, and maintaining the human touch.

AI-driven marketing relies on large volumes of customer data (click streams, purchase records, social media activity) to learn and make predictions. Companies must ensure that data is managed securely, that proper customer consent is obtained, that personal data is anonymized where possible, and that privacy rules are followed, so personalization do not cross the line into invasion of privacy. Being clear about how customer data is used by AI can build consumer trust. Clearly explaining, why a customer received a certain recommendation or offer can mitigate feelings of manipulation.

AI still lacks the empathy and creativity, that human marketers and service personnel provide. Companies should use AI as a tool, but not as a total replacement for human. Recent survey [1] found that only 6% of marketers want to entrust content creation fully to generative AI, preferring to have human look through and edit AI-generated materials. This shows an important practice, using employees to supervise AI outputs, ensure quality and add creativity or emotional understanding. 45% of marketers use AI as a source of ideas and inspiration, but not as a autonomous content creator.

Also important thing is to align AI implementation with marketing goals and strategy. For example, if a company's goal is to improve customer service, company can implement an AI chatbot on its support page and give human agents an AI-driven analysis. This approach increases AI's efficiency and uses human empathy and expertise.

Balanced collaboration between employees and AI is a key. AI can handle routine communications, freeing marketers to focus on creative strategy and deeper customer relationships.

5 Conclusions

Artificial intelligence is revolutionizing customer engagement in marketing by making interactions more personalized, responsive, and emotional. The public value of AI-driven innovations is evident, customers benefit from convenience, personalization and engagement, while businesses see pluses in people's satisfaction and the effectiveness of campaigns.

Marketers must consider issues of privacy and data ethics, ensure transparency in AI's actions and avoid losing the human touch that remains main to customer relationships. AI-powered marketing is not about machines fully doing marketing in the company, it is about using technology to better understand and serve customers.

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